

Northrop campus plan takes flight

Firm consolidating offices at new business park

By JIM BAINBRIDGE THE GAZETTE

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Northrop Grumman Corp.'s lengthy effort to find a central operations campus in Colorado Springs has ended with the defense giant's selection of a 30-acre parcel of land in the Colorado Springs Airport Business Park.

Phase One is projected to start this summer with construction of a threestory, 130,000 square foot building just south of Milton E. Proby Parkway, formerly Drennan Road. The parcel is adjacent to property leased by Aerospace Corp., the first business to announce that it would build in the airport's business park.

When work on Northrop's \$30 million building is completed in the fall of 2007, the defense contractor will close six of its eight local offices and move approximately 400 of its more than 1,200 local employees into the new facility.

Among its existing locations, only those at 5450 Tech Center Drive and 1795 Jet Wing Drive will survive.

"We looked at 15 sites before we decided on this one . . . we looked all over," said Northrop's chairman, president and CEO Ronald Sugar at a Broadmoor press briefing Wednesday. "We wanted to be sure we had some proximity to our customers, some proximity to where our employees live, an attractive area and a good business deal."

Ultimately, Sugar said, the company decided there would be a clear benefit to having employees working closer together and sharing ideas.

Northrop's Phase Two plan calls for breaking ground on a 110,000-square-foot building in 2008 and a move-in date during the summer of 2009.

There will be no new jobs from the consolidation, Sugar said. And while expressing optimism, he declined to speculate on how many jobs might eventually come to the Springs.

"Over time, we anticipate earning more contracts and increasing the number of employees," Sugar said. "We see this place being around for a long, long time."

Its more than 1,200 employees in Colorado Springs already make Northrop the 11th biggest jobs provider in the area. Northrop has 2,700 employees in the state.

Even without an immediate infusion of jobs, the Northrop Grumman move gives the Airport Business Park a tremendous jump on establishing itself on the southeast side of the Springs.

"This is an important development in the advancement of the business park," said Mike Kazmierski, president and CEO of the Greater Colorado Springs Economic Development Corporation, "which we see as one of our three economic development anchors (along with downtown and the North Nevada Avenue redevelopment).

"We're excited. The whole defense sector is an important part of our community. It contributes both to our economy and to the defense of our country, which makes us very proud."

This heightened level of commitment to the area from Northrop is the product of a

government contract its Mission Systems division won last September that could pay as much as \$2.5 billion over 10 years for work done here on a broad range of Missile Defense Agency projects.

It is the largest government contract ever awarded to any business or agency in the Springs market.

Under terms of the agreement, Northrop will expand its work with the Joint National Integration Center (JNIC) at Schriever Air Force Base imagining threat scenarios and then finding solutions through simulations and war gaming. Northrop has 300 employees based at Schriever who will remain there even after the new building is completed.

Northrop also supplies systems support locally for NORAD and the Northern Command.

Los Angeles-based Northrop Grumman is the third leading defense contractor in the United States behind Lockheed Martin and Boeing with record sales revenue of \$30.7 billion last year and 125,400 employees in its eight divisions worldwide.

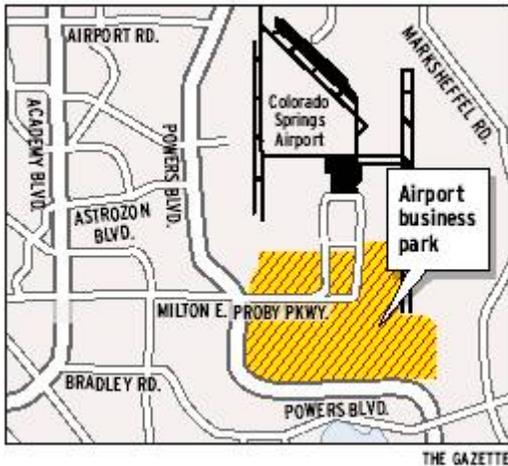
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Ronald Sugar:

Northrop CEO says no jobs will be created in transition.





COURTESY OF NORTHROP GRUMMAN This is an artist's rendering of what the first new Northrop Grumman building will look like.